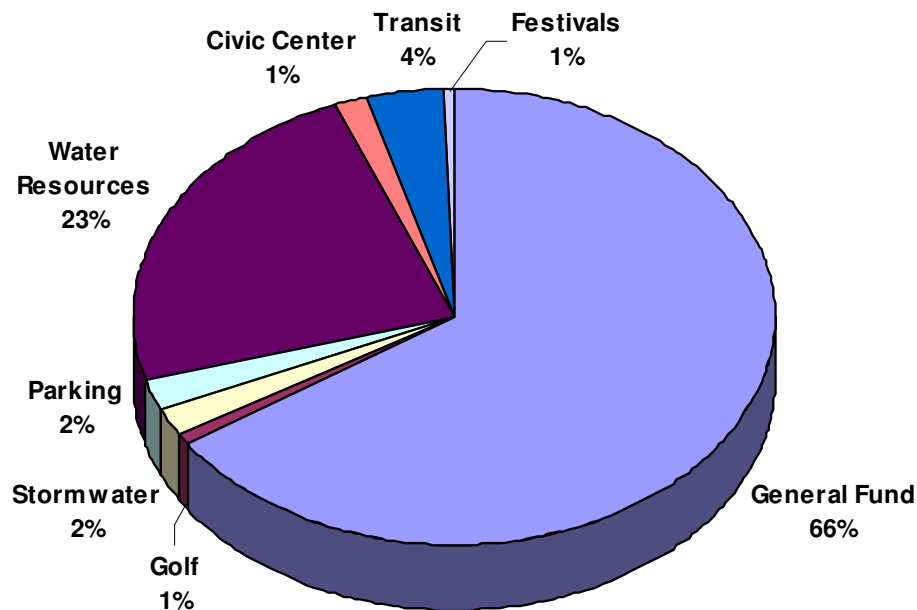


FUND SUMMARY

<u>FUNDS</u>	2006-07	2007-08	2008-09	2009-10
Service Areas	Actual	Actual	Budget	Adopted
<u>GENERAL FUND</u>				
Public Safety	31,016,726	35,596,708	36,725,823	38,432,648
Environment & Transportation	14,255,712	15,652,958	16,280,788	16,401,773
General Government	12,329,032	12,641,041	13,060,610	13,588,191
Culture & Recreation	9,067,464	9,643,765	10,550,953	11,242,624
Capital Reserve Funding	5,174,287	7,236,546	1,528,500	1,985,000
General Debt Service	5,521,189	4,838,792	5,709,822	5,429,922
Community Development	<u>4,370,771</u>	<u>5,354,452</u>	<u>5,402,750</u>	<u>5,608,135</u>
Total General Fund	81,735,181	90,964,262	89,259,246	92,688,293
<u>ENTERPRISE FUNDS</u>				
Environment & Transportation	38,541,842	40,714,459	47,170,452	44,547,827
Culture & Recreation	<u>4,236,668</u>	<u>4,200,904</u>	<u>4,511,796</u>	<u>3,863,258</u>
Total Enterprise Funds	42,778,510	44,915,363	51,682,248	48,411,085
TOTAL BUDGET	124,513,691	135,879,625	140,941,494	141,099,378
Less: Interfund Transactions	(4,406,566)	(4,904,256)	(5,336,367)	(4,868,028)
NET BUDGET	<u>120,107,125</u>	<u>130,975,369</u>	<u>135,605,127</u>	<u>136,231,350</u>

FY 2009-10 EXPENDITURES BY FUND
TOTAL: \$136,231,350



GENERAL FUND SUMMARY

	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Revenues:</u>				
Property Taxes	41,265,168	42,137,549	43,437,175	45,413,548
Intergovernmental	9,441,851	10,934,063	10,867,167	11,393,131
Local Option Sales Tax	17,399,164	16,548,425	17,592,167	15,880,273
Other Taxes	320,916	313,987	330,000	330,000
Charges For Service	9,775,592	10,319,416	10,472,194	11,439,835
Licenses & Permits	5,877,789	5,187,003	5,026,280	4,999,049
Investment Earnings	1,660,801	1,543,080	1,014,000	1,014,000
Miscellaneous	594,084	740,492	304,000	320,093
Subtotal	86,335,365	87,724,015	89,042,983	90,789,929
Appropriated Fund Bal.	--	--	216,263	1,898,364
Total Revenues	86,335,365	87,724,015	89,259,246	92,688,293

	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Appropriations:</u>				
Police	16,251,889	18,569,261	19,735,634	20,050,056
Fire & Rescue	14,450,624	16,426,305	16,613,560	17,991,504
Public Works	10,202,154	11,466,431	12,162,261	13,005,455
Capital Reserve Funding	5,174,287	7,236,546	1,528,500	1,985,000
Debt Service	5,521,189	4,838,792	5,709,822	5,429,922
Parks, Recreation & Cult. Arts	8,337,829	8,944,270	9,897,088	10,661,583
Finance	5,717,640	2,470,842	2,642,397	2,759,415
Information Technology	1,788,627	2,272,813	2,302,182	2,637,058
Nondepartmental	2,358,565	2,209,919	1,980,072	2,449,593
Building Safety	2,084,331	2,795,629	2,595,832	2,756,621
Legal Services	502,051	576,739	624,864	597,602
General Administration	1,780,402	1,977,238	1,886,512	1,924,038
Engineering	1,814,662	1,858,662	1,600,030	1,571,187
Street & Sidewalk Transfer	1,152,300	952,300	952,300	952,300
Planning & Development	1,509,865	1,745,332	1,880,568	1,839,264
Transit Fund Transfer	1,046,596	1,275,565	1,566,197	872,831
Civic Center Operating Subsidy	413,340	431,198	397,989	391,315
Golf Fund Subsidy	0	0	75,701	0
Festivals Fund Subsidy	0	253,922	162,675	184,726
Human Resources	1,028,830	1,321,572	1,545,062	1,587,897
Health Care (Employee Contr.)	**	2,740,926	2,800,000	2,740,926
Housing Trust Fund Transfer	600,000	600,000	600,000	300,000
Total Appropriations	81,735,181	90,964,262	89,259,246	92,688,293

** Accounted for in the Finance Department prior to FY 2007-08.

GENERAL FUND EXPENDITURES

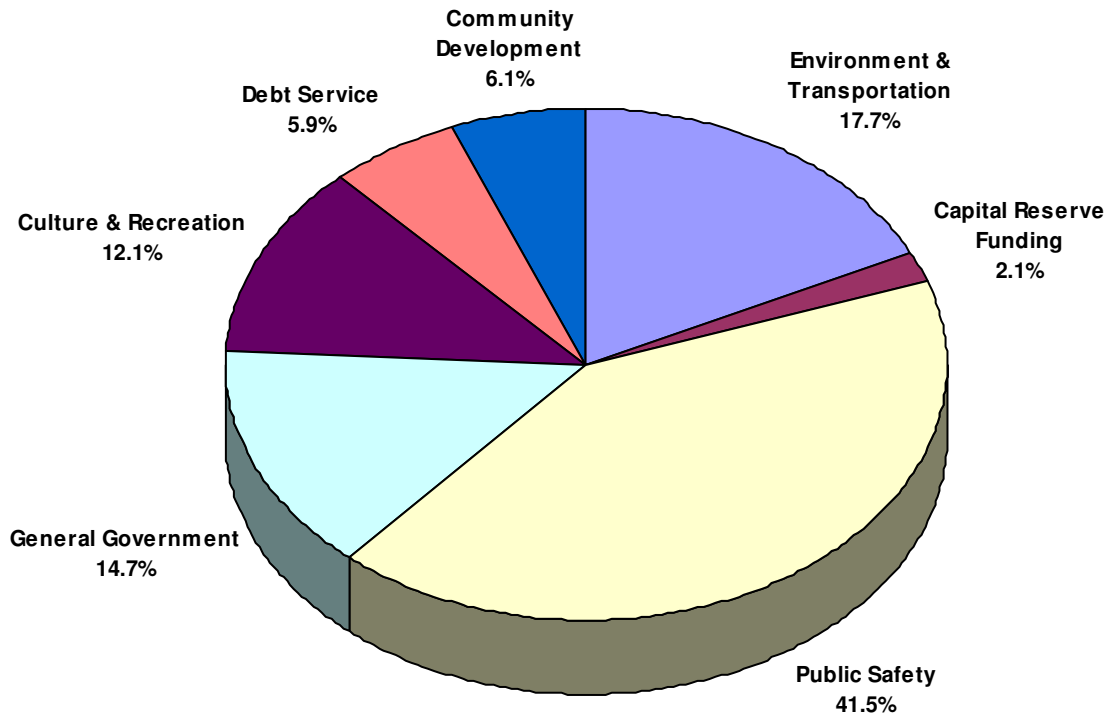
<u>Service Areas</u>	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Public Safety	31,016,726	35,596,708	36,725,823	38,432,648
Environment & Transportation	14,255,712	15,652,958	16,280,788	16,401,773
General Government	12,329,032	12,641,041	13,060,610	13,588,191
Culture & Recreation	9,067,464	9,643,765	10,550,953	11,242,624
Capital Reserve Funding	5,174,287	7,236,546	1,528,500	1,985,000
Debt Service	5,521,189	4,838,792	5,709,822	5,429,922
Community Development	<u>4,370,771</u>	<u>5,354,452</u>	<u>5,402,750</u>	<u>5,608,135</u>
Total General Fund	<u>81,735,181</u>	<u>90,964,262</u>	<u>89,259,246</u>	<u>92,688,293</u>

BUDGET HIGHLIGHTS

- The FY 2009-10 budget includes general fund expenditures that are 3.8% more than the FY 2008-09 budget.
- Public Safety is the largest general fund service area, accounting for 41% of all general fund expenditures. Expenditures in this service area show a 4.6% increase in FY 2009-10. As with other service areas in the general fund that are personnel-intensive, a portion of this increase is due to higher employee health costs. The adopted budget also includes the addition of four positions in the Fire and Rescue Department for the expansion of the Asheville Suburban Fire District in the Haw Creek area. The budget also includes three new firefighters and two police officer positions to provide service to the Ridgfield and Airport Road annexation areas. The Fire and Rescue Department operating budget also includes \$100,000 in additional costs to pay the annexation contracts associated with these two annexations. The Police operating budget includes a \$54,000 increase in the City's payment to the county for its share of the Criminal Justice Information System (CJIS). The Fire and Rescue Department operating costs include an additional \$55,000 for the Code Red system contract, and a \$39,000 increase in the cost of the contract with Buncombe County for 911 service.
- Environment & Transportation is the second largest service area in the general fund, representing 18% of the FY 2009-10 general fund budget. The budget for this service area shows a 0.7% increase. The \$693,000 decrease in the general fund subsidy to the transit services fund is the primary budgetary change that is impacting this service area. The Public Works Department budget shows a 6.9% increase and includes \$100,000 to enhance the downtown cleanliness program. The Public Works budget also includes a \$175,000 increase in the streetlighting budget due to higher electricity costs and a \$208,000 increase in the recycling budget due to higher contract costs.
- The Culture & Recreation budget shows a 6.7% increase. Included in the Parks and Recreation budget is \$300,000 to fund a contract for maintenance of the new Pack Square Park. The City will receive \$150,000 in revenue from Buncombe County to assist with this new cost. The Parks and Recreation budget also shows a \$130,000 increase due to higher electricity costs for City Hall and other facilities.
- Expenditures in the General Government service area show a 4.0% increase. This is partly due to the inclusion of approximately \$150,000 in the Information Technology Services Departmental budget to fund the transition period from H.T.E. to MUNIS when the City is required to pay the maintenance agreements for both systems. The budget also includes \$160,000 to fund the costs of the upcoming fall 2009 City Council elections.

GENERAL FUND EXPENDITURES

CITY OF ASHEVILLE FY 2009-10 GENERAL FUND EXPENDITURES BY SERVICE AREA TOTAL \$92,688,293

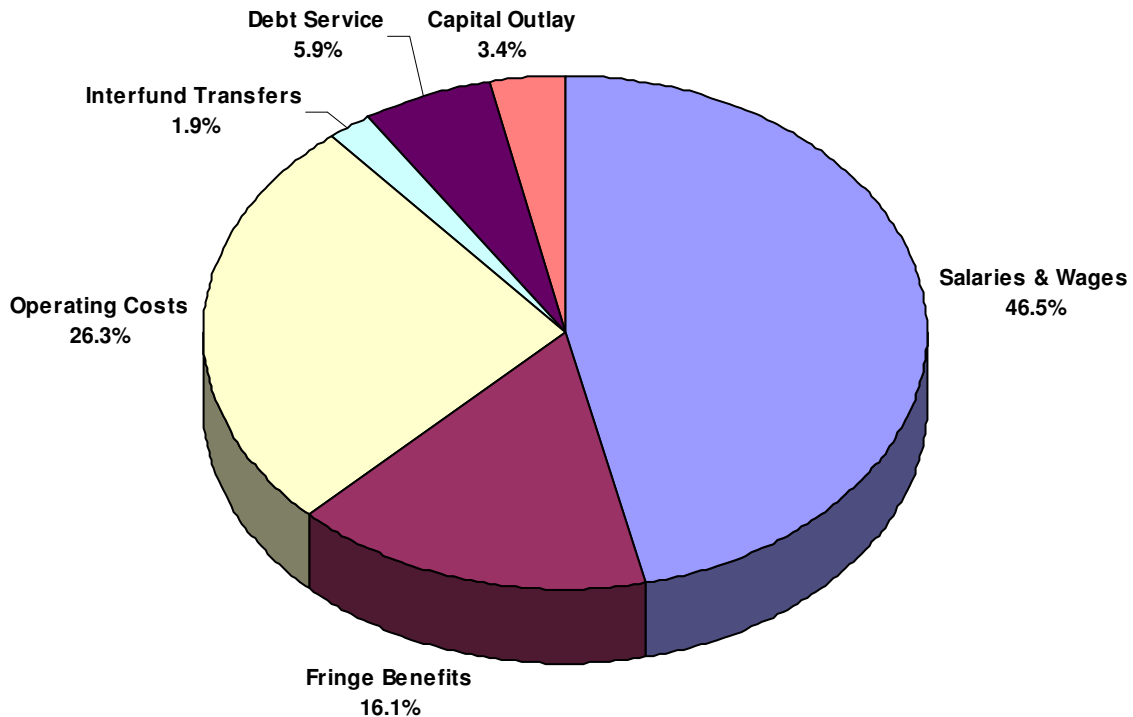


Budget-to-Budget Expenditure Comparison

<u>Service Areas:</u>	<u>2008-09 Budget</u>	<u>2009-10 Adopted</u>	<u>Change From Prior Year</u>	
			<u>in \$</u>	<u>in %</u>
Public Safety	36,725,823	38,432,648	1,706,825	4.65%
Environment & Transportation	16,280,788	16,401,773	120,985	0.74%
General Government	13,060,610	13,588,191	527,581	4.04%
Culture & Recreation	10,550,953	11,242,624	691,671	6.56%
Capital Reserve Funding	1,528,500	1,985,000	456,500	29.87%
Debt Service	5,709,822	5,429,922	(279,900)	-4.90%
Community Development	5,402,750	5,608,135	205,385	3.80%
Total General Fund Expenditures	89,259,246	92,688,293	3,429,047	3.84%

GENERAL FUND EXPENDITURES

CITY OF ASHEVILLE FY 2009-10 GENERAL FUND EXPENDITURES BY CATEGORY TOTAL \$92,688,293



Budget-to-Budget Expenditure Comparison

<u>Expense Category:</u>	<u>2008-09</u>	<u>2009-10</u>	<u>Change From Prior Year</u>	
	<u>Budget</u>	<u>Adopted</u>	<u>in \$</u>	<u>in %</u>
Salaries & Wages	42,242,338	43,123,462	881,124	2.09%
Fringe Benefits	13,734,183	14,880,912	1,146,729	8.35%
Operating Costs	21,899,165	24,363,175	2,464,010	11.25%
Interfund Transfers	2,802,562	1,748,872	(1,053,690)	-37.60%
Debt Service	5,709,822	5,429,922	(279,900)	-4.90%
Capital Outlay	<u>2,871,176</u>	<u>3,141,950</u>	<u>270,774</u>	<u>9.43%</u>
Total General Fund Expenditures	89,259,246	92,688,293	3,429,047	3.84%

GENERAL FUND EXPENDITURES

GENERAL FUND EXPENDITURES BY EXPENSE CATEGORY

	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Salaries & Wages	36,318,446	39,954,340	42,242,338	43,123,462
Fringe Benefits	10,922,417	12,829,705	13,734,183	14,880,912
Operating Costs	19,258,152	21,905,176	21,899,165	24,363,175
Interfund Transfers	2,059,936	2,560,685	2,802,562	1,748,872
Debt Service	5,521,189	4,838,792	5,709,822	5,429,922
Capital Outlay	<u>7,655,041</u>	<u>8,875,564</u>	<u>2,871,176</u>	<u>3,141,950</u>
TOTAL	<u>81,735,181</u>	<u>90,964,262</u>	<u>89,259,246</u>	<u>92,688,293</u>

BUDGET HIGHLIGHTS

- Personnel costs, including both salaries and wages and fringe benefits constitute 63% of the FY 2009-10 general fund budget. The personnel budget includes no new funding for merit or market-based pay increases for City employees. The general fund personnel budget also reflects a net overall reduction of 4.88 FTE positions. Despite these reductions, the salary budget shows a slight 2.1% increase primarily due to the carryover impact of merit increases awarded in FY 2008-09 for a partial year (based on employee anniversary dates) for which the full cost impact will take place in FY 2009-10. The personnel budget also includes a 15% increase in the City's contribution toward employee health care expenses. For the general fund, this increase totaled approximately \$870,000.
- The budget for operating costs shows a \$2.5 million or 11.3% increase in FY 2009-10. A number of unavoidable cost increases impacted the FY 2009-10 adopted budget include the following: 1) the addition of \$300,000 in new contract expenses for the operation of Pack Square Park; 2) a \$375,000 increase in electricity and streetlighting costs; 3) the inclusion of the \$450,000 economic development/annexation payment to the Biltmore Town Center; 4) the addition of \$160,000 to pay for the fall 2009 City Council elections; 5) \$150,000 in expenses associated with the transition expenses associated with the BTIP project; 6) a \$100,000 increase in fire district annexation contracts; and 6) a \$107,000 increase in the cost of joint City/County programs, such as CJIS and the Police ID Bureau.
- General fund debt service shows a net decrease of approximately \$280,000. This decrease is the result of the City paying off an equipment financing debt issuance from 2004 in the current fiscal year and a \$100,000 decrease in the City's general obligation bond debt amount. The adopted budget does include the issuance of approximately \$2.0 million in new debt in FY 2009-10 to fund two annexation related sewer projects, replacement of one auto loader refuse truck, replacement of the irrigation system at the Municipal Golf Course, and improvements to the Walton Street pool.
- \$3.1 million is budgeted for the direct purchase of capital in FY 2009-10, which represents a 9.4% increase over the current year. However, capital funding remains well below the funding levels that were achieved in the two prior budget years.
- Interfund transfers are budgeted to decrease by over \$1.0 million in FY 2009-10. Increased federal funding for transit allowed the City to reduce the general fund subsidy to the transit fund by \$693,000. Staff was also able to eliminate the \$75,000 general subsidy to the golf fund by reorganizing and streamlining operations at the golf course. Finally, due to budget constraints in FY 2009-10, the general fund subsidy to the housing trust fund is reduced by \$300,000.

GENERAL FUND EXPENDITURES

<u>Department</u>	2006-07	2007-08	2008-09	2009-10
Division	Actual	Actual	Budget	Adopted
<u>Police</u>				
Patrol Bureau	9,578,763	11,018,015	11,456,006	11,617,772
Support Bureau	2,701,427	3,151,558	3,637,462	3,784,958
Criminal Investigation	2,278,281	2,525,091	2,654,261	2,728,475
Administration	1,693,418	1,874,597	1,987,905	1,918,851
Subtotal Police	16,251,889	18,569,261	19,735,634	20,050,056
<u>Fire & Rescue</u>				
Emergency Response	11,690,391	13,587,036	13,784,740	14,846,288
Accountability/Administration	1,871,825	1,964,681	1,968,202	2,232,734
Fire Marshal's Office	888,408	874,588	860,618	912,482
Subtotal Fire	14,450,624	16,426,305	16,613,560	17,991,504
<u>Public Works</u>				
Sanitation	3,027,586	3,337,415	3,688,037	4,127,200
Street Maintenance	2,796,689	3,341,155	3,472,925	3,452,021
Street Lighting	1,502,062	1,564,128	1,613,913	1,788,172
Administration	1,009,492	1,076,412	1,126,203	1,132,989
Recycling	670,179	666,137	756,529	965,376
Fleet Management	956,471	1,222,441	1,241,615	1,262,394
Signs & Markings	239,675	258,743	263,039	277,303
Subtotal Public Works	10,202,154	11,466,431	12,162,261	13,005,455
<u>Parks, Recreation, & Cultural Arts</u>				
Recreation Programs	2,214,588	2,274,786	2,348,534	2,521,718
Park Maintenance	2,200,689	2,342,008	2,243,647	2,564,681
Administration	677,540	868,250	335,941	356,785
After School Program	250,339	294,270	306,022	294,547
Athletics	666,587	697,167	659,385	645,745
Building Maintenance	503,316	519,446	566,655	656,425
Cultural Arts	201,465	128,867	378,414	377,309
Nature Center	857,538	964,068	1,073,242	1,118,559
McCormick Field	195,382	175,988	209,501	228,397
Recreation Park	88,396	81,770	-	-
Aston Park	210,598	223,737	233,353	254,698
Planning	-	-	188,547	191,025
Specialized Facilities	-	-	167,187	80,077
City Hall Operations	84,931	174,167	186,292	234,819
Business Services	-	-	440,459	626,088
Swimming Pools	-	-	246,828	255,076
Food Lion Skate Park	-	-	97,722	109,154
Riverside Cemetery	186,460	199,746	215,359	146,480
Subtotal Parks & Recreation	8,337,829	8,944,270	9,897,088	10,661,583
<u>Building Safety</u>	2,084,331	2,795,629	2,595,832	2,756,621

GENERAL FUND EXPENDITURES

<u>Department</u>	2006-07	2007-08	2008-09	2009-10
Division	Actual	Actual	Budget	Adopted
<u>Finance</u>				
Accounting	1,210,278	1,315,166	1,252,193	1,422,369
Administration	328,214	266,965	368,801	358,869
Purchasing	246,480	285,665	372,518	346,326
Group Health	3,884,361	-	-	-
Workers Compensation	(392,242)	-	-	-
Insurance & Bonds	(28,680)	-	-	-
Budget & Research	124,209	199,391	220,385	223,036
Risk Management Admin.	237,109	262,338	272,473	250,500
Print Shop	20,158	-	-	-
Police Separation Allowance	(23,774)	-	-	-
Police/Fire Disability	(29,767)	-	-	-
Central Stores	141,294	141,317	156,027	158,315
Subtotal Finance	5,717,640	2,470,842	2,642,397	2,759,415
<u>General Administration</u>				
City Manager	580,311	577,531	582,221	598,470
Community Oriented Government	461,567	447,488	475,561	506,141
Governing Body	171,575	187,907	193,748	189,455
Economic Development	477,384	651,871	539,616	519,991
City Clerk	89,565	112,441	95,366	109,981
Subtotal General Admin.	1,780,402	1,977,238	1,886,512	1,924,038
<u>Planning & Development</u>				
Planning Services	1,417,836	1,614,507	1,657,273	1,604,503
City Development	11,725	-	-	-
Historic Resources	80,304	89,045	142,540	150,748
Homeless Program	-	41,780	80,755	84,013
Subtotal Planning & Dev.	1,509,865	1,745,332	1,880,568	1,839,264
<u>Transportation & Engineering</u>				
City Engineering	1,034,883	1,134,711	875,046	869,171
Transportation Services	264,445	229,647	273,636	250,183
Traffic Signal Maintenance	259,442	190,279	238,461	222,143
Transportation Planning	255,892	304,025	209,312	146,858
Transportation Demand Management	-	-	3,575	82,832
Subtotal Engineering	1,814,662	1,858,662	1,600,030	1,571,187
<u>Legal Services</u>	502,051	576,739	624,864	597,602

GENERAL FUND EXPENDITURES

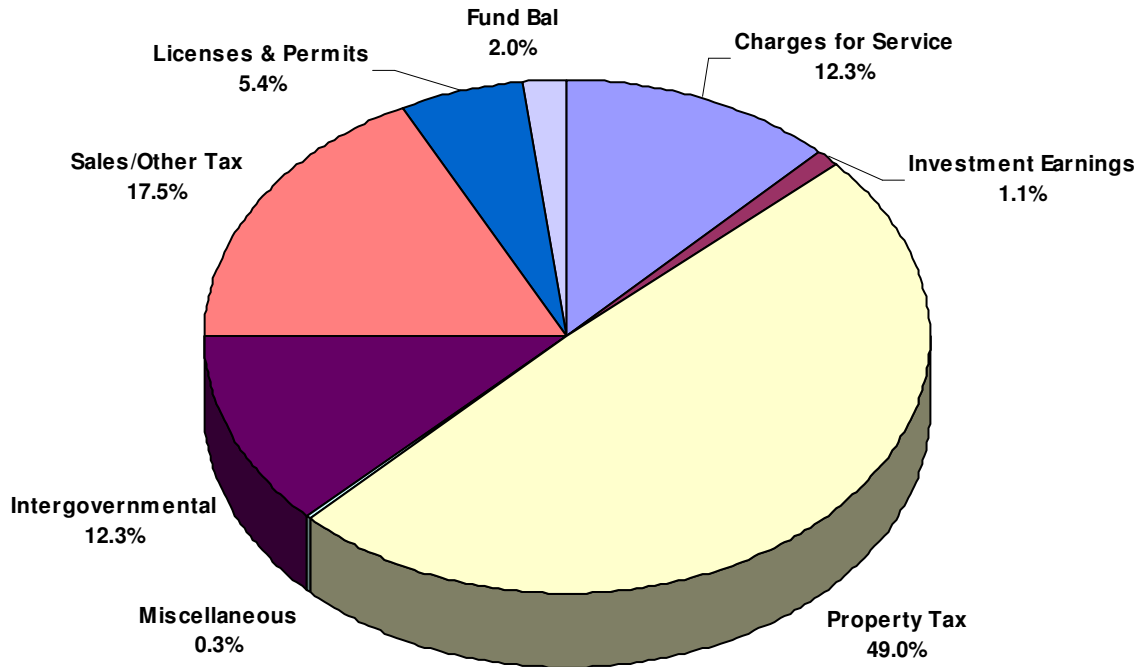
<u>Department</u>	2006-07	2007-08	2008-09	2009-10
Division	Actual	Actual	Budget	Adopted
<u>Human Resources</u>				
Administration	511,006	933,609	1,052,553	1,080,310
City Employment	79,882	141	-	-
Organizational Development	221,393	154,962	237,380	230,764
Health Services	216,549	232,860	255,129	276,823
Subtotal Human Resources	1,028,830	1,321,572	1,545,062	1,587,897
<u>Information Technology Services</u>				
Administration	-	-	222,986	184,802
Technical Services	-	-	1,081,332	1,150,676
GIS & Application Services	-	-	379,356	637,281
IT Support Services	1,788,627	2,272,813	618,508	664,299
Subtotal Information Technology	1,788,627	2,272,813	2,302,182	2,637,058
<u>Other Appropriations</u>				
Debt Service	5,521,189	4,838,792	5,709,822	5,429,922
Capital Reserve Funding	5,174,287	7,236,546	1,528,500	1,985,000
Nondepartmental	2,358,565	2,209,919	1,980,072	2,449,593
Street & Sidewalk Fund Transfer	1,152,300	952,300	952,300	952,300
Transit Services Fund Transfer	1,046,596	1,275,565	1,566,197	872,831
Golf Fund Transfer	-	-	75,701	-
Festivals Fund Transfer	-	253,922	162,675	184,726
Civic Center Fund Transfer	413,340	431,198	397,989	391,315
Housing Trust Fund Transfer	600,000	600,000	600,000	300,000
Health Care (Employee Contr.)	-	2,740,926	2,800,000	2,740,926
Subtotal Other	16,266,277	20,539,168	15,773,256	15,306,613
TOTAL APPROPRIATIONS	<u>81,735,181</u>	<u>90,964,262</u>	<u>89,259,246</u>	<u>92,688,293</u>

GENERAL FUND REVENUES

	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Taxes</u>				
Property Tax - Current Year	38,632,281	39,587,510	40,830,130	42,781,503
Local Option Sales Tax	17,399,164	16,548,425	17,592,167	15,880,273
Motor Vehicle Taxes	2,286,398	2,172,180	2,232,045	2,232,045
Property Tax - Prior Years	346,489	377,859	375,000	400,000
Other Taxes	320,916	313,987	330,000	330,000
Total Taxes	58,985,248	58,999,961	61,359,342	61,623,821
<u>Licenses & Permits</u>				
Building Safety Fees	2,643,955	2,793,355	2,633,550	2,648,900
Cable Franchise Fees	803,967	135,268	150,000	140,000
Local Utility Franchise Tax	501,431	544,229	560,000	543,000
Business Privilege Licenses	1,040,814	1,107,849	1,100,000	1,105,199
Motor Vehicle Licenses	618,181	322,809	337,000	342,000
Other	269,441	283,493	245,730	219,950
Total Licenses/Permits	5,877,789	5,187,003	5,026,280	4,999,049
<u>Intergovernmental</u>				
State Utility Taxes	5,372,491	6,412,238	6,242,537	7,151,506
Powell Bill	2,282,069	2,607,730	2,659,885	2,160,189
ABC Revenue	1,006,913	895,909	950,000	900,000
State Beer & Wine Taxes	330,717	349,847	335,000	360,000
Other	449,661	668,339	679,745	821,436
Total Intergovernmental	9,441,851	10,934,063	10,867,167	11,393,131
<u>Charges For Service</u>				
Internal Charges	2,571,356	2,387,859	2,415,865	2,676,753
Employee Insurance Contrib.	2,597,801	2,740,926	2,800,000	2,740,926
Parks & Recreation Fees	1,315,493	1,410,650	1,370,000	1,572,507
Recycling Charges	825,459	417,224	411,346	965,376
Fire Protection & Inspections	978,346	1,433,212	1,544,562	1,605,000
Outside Vehicle Repairs & Fuel	879,052	1,140,749	1,238,375	1,258,594
Other	608,085	788,796	692,046	620,679
Total Charges For Service	9,775,592	10,319,416	10,472,194	11,439,835
<u>Other</u>				
Miscellaneous	594,084	740,492	304,000	320,093
Investment Earnings	1,660,801	1,543,080	1,014,000	1,014,000
<u>App. Fund Balance</u>	-	-	216,263	1,898,364
Total Revenues	<u>86,335,365</u>	<u>87,724,015</u>	<u>89,259,246</u>	<u>92,688,293</u>

GENERAL FUND REVENUES

CITY OF ASHEVILLE FY 2009-10 GENERAL FUND REVENUES BY SOURCE TOTAL \$92,688,293

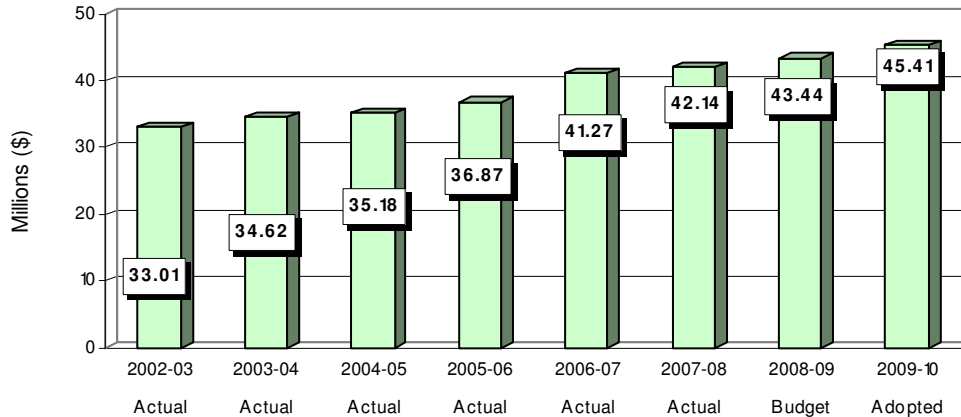


Budget-to-Budget Revenue Comparison

<u>Revenue Sources:</u>	2008-09	2009-10	Change From Prior Year	
	<u>Budget</u>	<u>Adopted</u>	<u>in \$</u>	<u>in %</u>
Property Tax	43,437,175	45,413,548	1,976,373	4.5%
Intergovernmental	10,867,167	11,393,131	525,964	4.8%
Sales Taxes	17,592,167	15,880,273	(1,711,894)	-9.7%
Other Taxes	330,000	330,000	0	0.0%
Charges For Service	10,472,194	11,439,835	967,641	9.2%
Licenses & Permits	5,026,280	4,999,049	(27,231)	-0.5%
Investment Earnings	1,014,000	1,014,000	0	0.0%
Miscellaneous	304,000	320,093	16,093	5.3%
App. Fund Bal.	216,263	1,898,364	1,682,101	--%
Total General Fund Revenue	89,259,246	92,688,293	3,429,047	3.8%

GENERAL FUND REVENUES

PROPERTY TAXES



<u>Property Taxes</u>	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Current Year	38,632,281	39,587,510	40,830,130	42,781,503
Registered Motor Vehicles	2,286,398	2,172,180	2,232,045	2,232,045
Prior Years	346,489	377,859	375,000	400,000
Total Property Taxes	<u>41,265,168</u>	<u>42,137,549</u>	<u>43,437,175</u>	<u>45,413,548</u>

Trends & Assumptions

The Property or Ad Valorem Tax is the largest funding source for general government services, providing 49% of the City's total FY 2009-10 general fund revenue. The property tax is levied each year on the value of real, certain personal, and public service property that is listed as of January 1 of that year. Real property, which consists of residential, commercial, and industrial properties, is revalued every four years, while personal and utility values are adjusted annually. Real property makes up approximately 80% of the City's total tax base. The most recent revaluation was completed in 2005, and the new values become effective in FY 2006-07. The current tax rate is 42 cents per \$100 of assessed valuation, and staff is recommending no change in the rate for FY 2009-10.

Over the last ten years, the property tax base has grown by an average of 3.3% per year. Based on

data from the County Tax Assessor, the FY 2008-09 tax base grew by 4.2%. As a result of this higher than normal growth, property tax revenue in FY 2008-09 will likely exceed budget by \$150,000.

Based on estimates from the Buncombe County Tax Assessor, staff has budgeted 4.5% growth in property taxes for FY 2009-10. Approximately half of this growth is attributable to natural increases in the tax base from new construction. The rest of the growth in the tax base is the result of the Ridgefield, Airport Road, and Biltmore Town Center annexations, which combined will generate approximately \$980,000 in property tax revenue. It should be noted that under the annexation/economic development agreement with the Biltmore Town Center, the City will refund all property tax revenue collected from this development in FY 2009-10.

GENERAL FUND REVENUES

ASSESSED VALUATION HISTORY

Major Property Categories

(\$ in thousands)

Residential

Percent Change

Commercial

Percent Change

Personal

Percent Change

Public Service Companies

Percent Change

Motor Vehicles

Percent Change

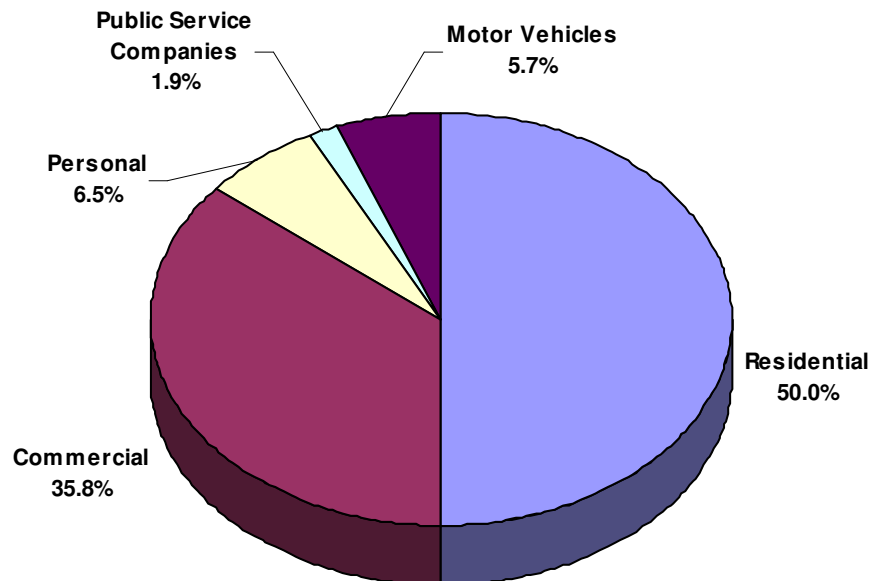
TOTAL TAX BASE

Percent Change

	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07**	FY 2007-08
Residential	\$3,083,292	\$3,169,846	\$3,284,605	\$4,867,777	\$5,007,378
Percent Change	4.9%	2.8%	3.6%	48.2%	2.9%
Commercial	\$2,197,518	\$2,280,227	\$2,309,749	\$3,598,231	\$3,589,744
Percent Change	2.0%	3.8%	1.3%	55.8%	-0.2%
Personal	\$565,156	\$580,056	\$597,418	\$613,292	\$654,581
Percent Change	-2.6%	2.6%	3.0%	2.7%	6.7%
Public Service Companies	\$158,730	\$162,514	\$165,360	\$189,426	\$190,305
Percent Change	0.4%	2.4%	1.8%	14.6%	0.5%
Motor Vehicles	\$531,994	\$486,374	\$509,456	\$549,169	\$572,808
Percent Change	7.2%	-8.6%	4.7%	7.8%	4.3%
TOTAL TAX BASE	\$6,536,690	\$6,679,017	\$6,866,588	\$9,817,895	\$10,014,816
Percent Change	3.3%	2.2%	2.8%	43.0%	2.0%

**Revaluation year.

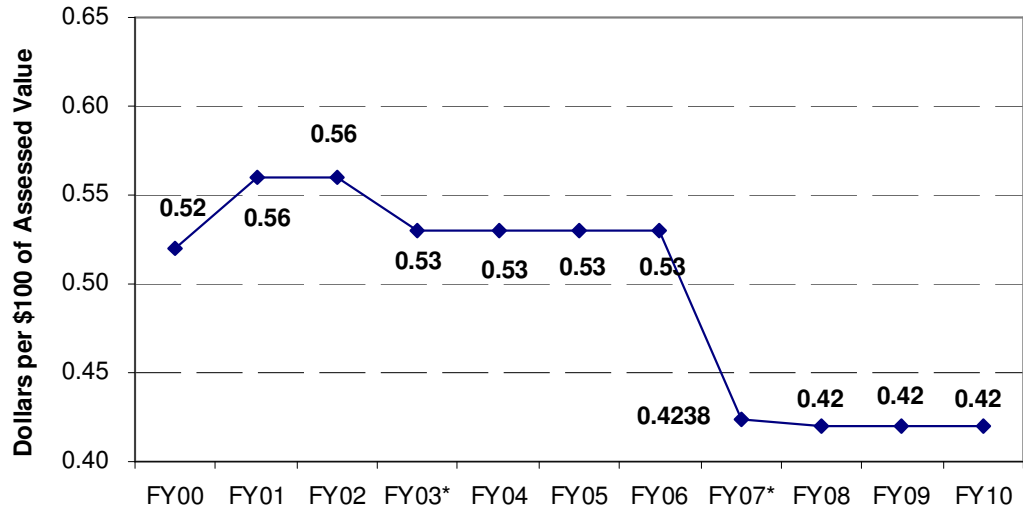
City of Asheville FY 2007-08 Tax Base



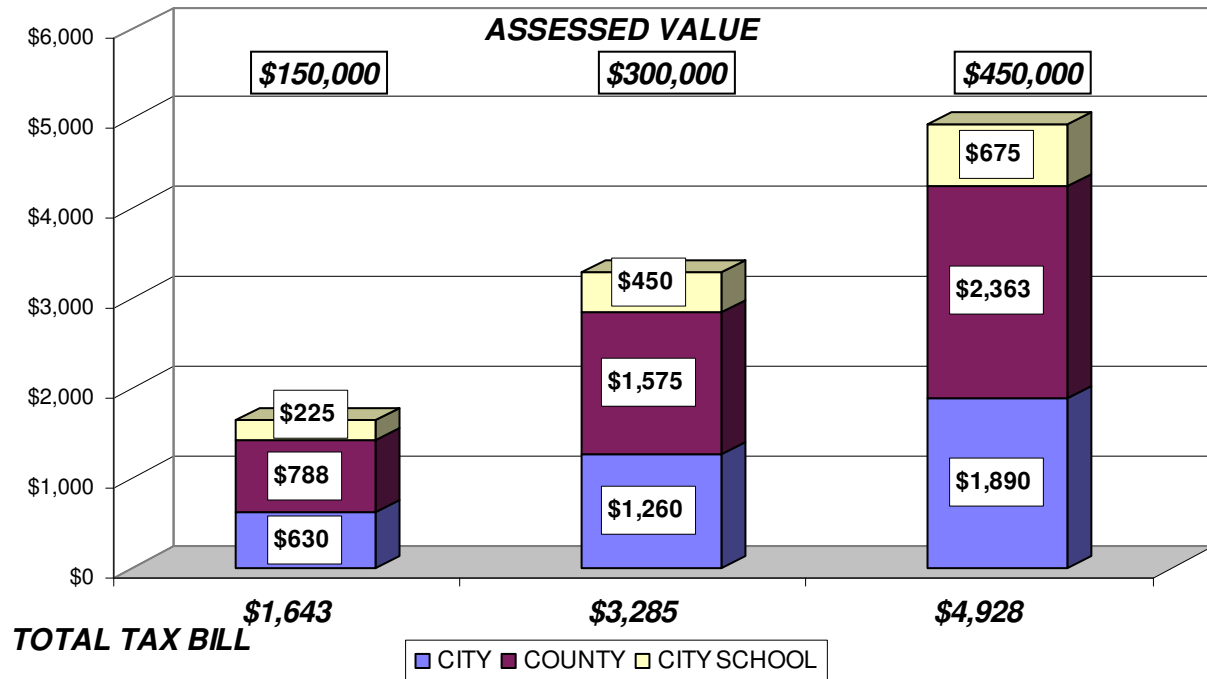
Total Tax Base: \$10,014,816,000

GENERAL FUND REVENUES

City of Asheville Tax Rate History



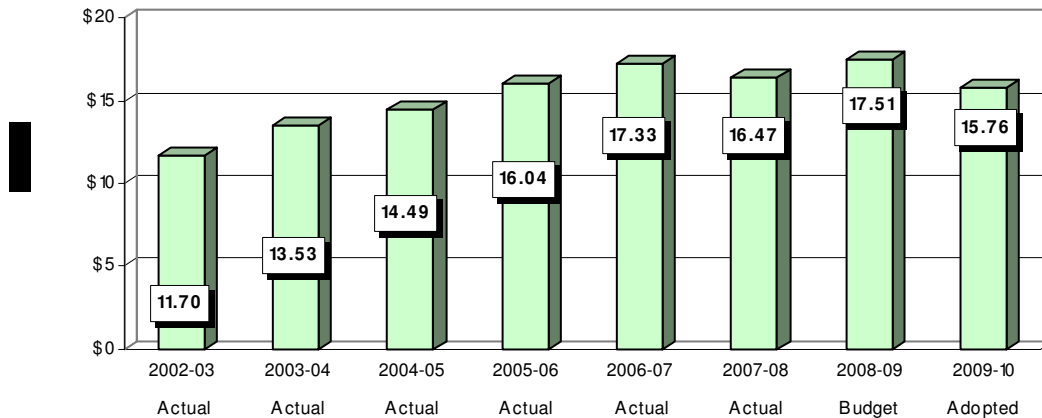
FY 2009-10 Sample Tax Bill



Note: City tax rate: 42 cents per \$100 of assessed valuation
 County tax rate: 52.5 cents per \$100 of assessed valuation
 City School tax rate: 15 cents per \$100 of assessed valuation. Approximately 65% of City of Asheville residents pay the City School tax.

GENERAL FUND REVENUES

LOCAL OPTION SALES TAX



<u>Sales Tax Components</u>	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
One Cent	8,096,194	7,640,778	8,690,410	7,376,148
Half Cent (83)	3,170,234	2,932,193	2,953,178	2,750,545
Half Cent (86)	3,049,729	2,894,224	2,748,680	2,813,241
Half Cent (01)	<u>3,009,987</u>	<u>3,006,334</u>	<u>3,120,940</u>	<u>2,823,380</u>
Total Sales Tax	17,326,144	16,473,529	17,513,208	15,763,314
Percent Change	7.57%	-4.92%	6.31%	-9.99%

Trends & Assumptions

Local option sales tax revenue is collected by the State of North Carolina and distributed back to counties and municipalities on a monthly basis.

Net proceeds from the one-cent sales tax are returned to the county in which the tax was collected. Under this point of delivery distribution method, the City's revenue from the one-cent sales tax is dependent on retail sales activity in Buncombe County. Proceeds from the 83 and 86 half-cent sales taxes are placed in a statewide pool and allocated among all one hundred counties on a per capita basis. 83 and 86 half-cent sales tax revenue is thus dependent on retail sales activity statewide and on Buncombe County's population relative to other counties in the State.

During its 2001 session, the State Legislature gave counties the authority to levy an additional half-cent sales tax. Revenue from this new half-cent (01) sales tax replaced local government reimbursement payments that were discontinued by the state. Under the 2007 legislation in which the state assumed county Medicaid costs, the (01) sales tax for local governments will be fully

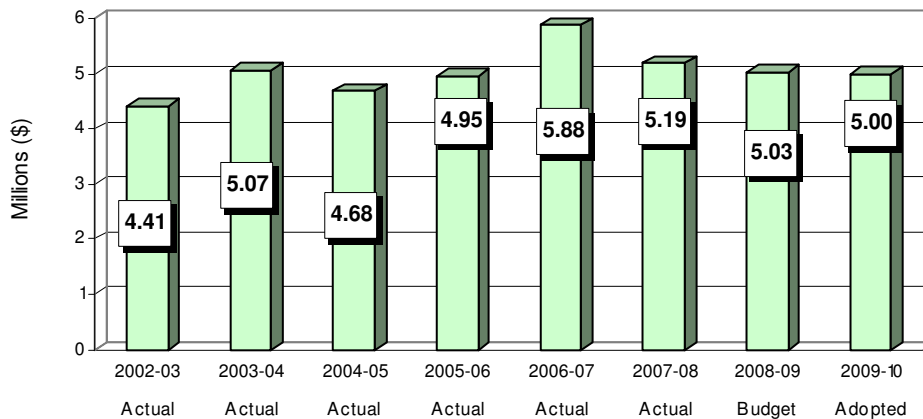
eliminated in October 2009 and replaced with a hold harmless payment from the state.

Buncombe County's sales tax revenue is divided between the county and the local municipalities based on each entity's share of the total county ad valorem tax levy. Based on this distribution formula, the City currently receives 19.47% of the sales tax revenue distributed to Buncombe County. The state recalculates this percentage each year to account for tax rate changes, annexations, revaluation, and natural growth in the tax base.

Because of the severe economic recession, the City has seen its sales tax revenue declined by 6.0% during the first eight months of FY 2008-09 compared to that same time period in FY 2007-08. Based on forecasts from the North Carolina League of Municipalities, staff has projected that this trend will continue for the remainder of FY 2008-09 and that sales tax revenue will show no growth in FY 2009-10. As a result, the sales tax budget for FY 2009-10 shows a decline of \$1.7 million compared to the FY 2008-09 budget.

GENERAL FUND REVENUES

LICENSES & PERMITS



	2006-07	2007-08	2008-09	2009-10
<u>Licenses & Permits</u>	Actual	Actual	Budget	Adopted
Building Safety Fees	2,643,955	2,793,355	2,633,550	2,648,900
Cable Franchise Fees	803,967	135,268	150,000	140,000
Local Utility Franchise Tax	501,431	544,229	560,000	543,000
Business Privilege Licenses	1,040,814	1,107,849	1,100,000	1,105,199
Motor Vehicle Licenses	618,181	322,809	337,000	342,000
Other	269,441	283,493	245,730	219,950
Total Licenses & Permits	5,877,789	5,187,003	5,026,280	4,999,049
Percent Change	18.78%	-11.75%	-3.10%	-0.54%

Trends & Assumptions

License & permit fees are generally used to offset the cost of regulating certain activities within the City. Some license and permit rates are set by the state, while others are set by City Council. Revenue from licenses & permits is influenced by local population growth, economic conditions, trends in development and re-development activity, and Council-approved fee changes.

Building Safety Fees: After substantial growth in FY 2006-07 and FY 2007-08, revenue growth in building safety fees has slowed due to the recession. The FY 2009-10 budget assumes no growth in this revenue source.

Cable Franchise Fees & Local Utility Franchise Tax: The State of North Carolina under the Video Services Bill now collects most of what used to be considered local cable franchise revenue and shares it with municipalities as a part of the state utility taxes. However, the City still receives some revenue for parts of our franchise agreement not covered under the state law. Revenue from the local utility franchise tax on electricity and gas is

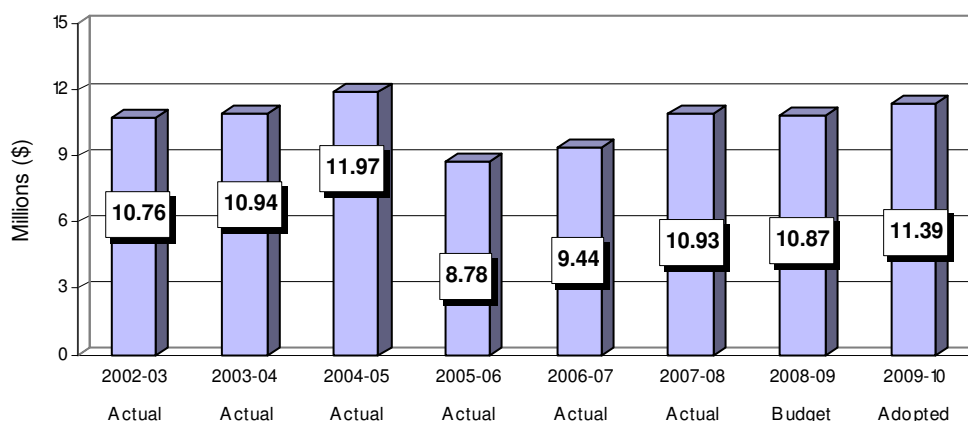
expected to remain flat compared to prior year collections.

Business Privilege Licenses: The City levies a privilege license fee on certain businesses operating within the City of Asheville. Based on prior year collections, only a slight increase is budgeted for FY 2009-10.

Motor Vehicle Licenses: The City levies an annual registration fee of \$10 on all motor vehicles owned by City residents. In prior years, all of this money was collected in the general fund and half of the revenue was transferred to the Transit Services Fund to support the operational and capital needs of the City's transit system. Beginning in 2007-08, this revenue was split with half going into each fund. This revenue is expected to remain essentially flat in FY 2009-10.

GENERAL FUND REVENUES

INTERGOVERNMENTAL REVENUE



	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Intergovernmental</u>				
State Utility Taxes	5,372,491	6,412,238	6,242,537	7,151,506
Powell Bill	2,282,069	2,607,730	2,659,885	2,160,189
ABC Revenue	1,006,913	895,909	950,000	900,000
State Beer & Wine Tax	330,717	349,847	335,000	360,000
Other	449,661	668,339	679,745	821,436
Total Unrestricted Intergov.	9,441,851	10,934,063	10,867,167	11,393,131
Percent Change	7.53%	15.80%	-0.61%	4.84%

Trends & Assumptions

Intergovernmental revenue includes grants, shared revenues, and reimbursements received by the City of Asheville from other governmental units.

State Utility Taxes: The state levies the following utility taxes: a franchise tax on electricity, a sales tax on telecommunications and video services, and an excise tax on piped natural gas. The state then shares a portion of these revenues with municipalities based on sales and consumption within each city.

City staff completed an audit of address data maintained by Progress Energy Company in the current fiscal year and discovered a number of premises that were in the City but coded as out of the City by Progress. This audit resulted in a one-time back payment of \$300,000 and an ongoing annual gain of \$100,000 in the City's electricity franchise tax revenue. In addition, the state increased the tax rate on telecommunications, satellite, and cable service providers in April 2008. Based on these two factors and growth estimates provided by the North Carolina League of Municipalities, staff has budgeted a 14% increase in this revenue in FY 2009-10.

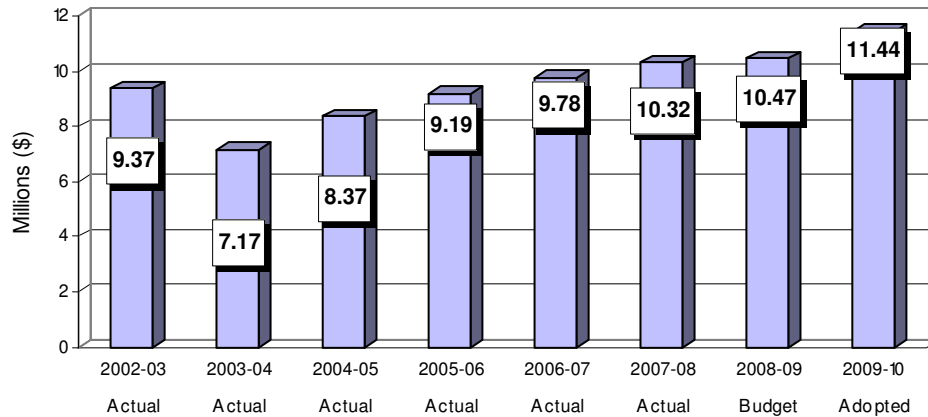
ABC Revenue: A portion of net profits from Alcoholic Beverage Control sales in the City of Asheville are divided between the City and Buncombe County. Based on prior year collections, staff has budgeted a 5% decrease in this revenue.

State Beer & Wine Tax: The state shares a portion of the proceeds from beer and wine tax receipts with all local governments in which beer and wine is legally sold. The distribution is based on population. This revenue is expected to increase slightly in FY 2009-10.

Powell Bill: North Carolina municipalities receive a portion of the proceeds from the state gasoline tax and the Highway Trust Fund. The money is distributed to municipalities based on 75% on population and 25% on local street mileage. Powell Bill funds can only be expended to maintain, repair, or construct local streets. The current recession has caused a slowdown in automobile sales and decreased demand for gasoline, as a result, the League of Municipalities is forecasting an 11% decline in this revenue in FY 2009-10.

GENERAL FUND REVENUES

CHARGES FOR SERVICE



<u>Charges For Service</u>	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Charges to Other Funds	2,571,356	2,387,859	2,415,865	2,686,753
Employee Insurance Contributions	2,597,801	2,740,926	2,800,000	2,740,926
Parks & Recreation Fees	1,315,493	1,410,650	1,370,000	1,572,507
Recycling Charges	825,459	417,224	411,346	965,376
Fire Protection & Inspections	978,346	1,433,212	1,544,562	1,605,000
Outside Vehicle Repairs & Fuel	879,052	1,140,749	1,238,375	1,258,594
Other	608,085	788,796	692,046	537,436
Total Charges For Service	9,775,592	10,319,416	10,472,194	11,439,835
Percent Change	6.35%	5.56%	1.48%	9.24%

Trends & Assumptions

Charges for services are revenues derived from charges for the use of specific general fund services, such as Parks & Recreation programs and curbside recycling. By Council policy, many of these services are partially or fully funded through user charges.

Charges to Other Funds: Charges to other funds are transfers to the general fund from other City funds. The transfer amounts are designed to cover the cost of services provided by general fund departments in support of these enterprise fund operations. This revenue shows a 10% increase in FY 2009-10 as a result of an additional charge, assessed the enterprise funds for their share of the general fund debt service costs incurred with the BTIP project.

Employee Insurance Contributions: City employees are charged differing rates based on the type of health insurance coverage they select. This revenue is expected to remain flat in FY 2009-10.

Parks & Recreation Fees: In April, City Council approved increases in several Parks & Recreation fees as a part of the FY 2009-10 fee package. Among these increases was a \$1 increase in admission fees at the Nature Center, which is expected to produce an additional \$127,000 in revenue.

Recycling Charges: City Council approved increasing the fee for household recycling to 100% cost recovery. This increase will produce approximately \$554,000 in additional revenue.

GENERAL FUND REVENUES

Fire Protection & Inspections: The City's Fire and Rescue Department has historically provided fire protection services to the Biltmore Estate and the town of Biltmore Forest. The charge for this service is based on the assessed value of the property being served. Beginning July 1, the City will also begin providing service to a portion of the Haw Creek suburban fire district, which will generate an additional \$97,000 in fire district tax revenue. In addition, the Fire and Rescue Department provides inspection services and charges a fee for this service. Staff has budgeted a slight decrease in inspection revenue in FY 2009-10. The net impact of the additional fire

protection revenue and the slight decrease in inspection revenue is an overall increase of approximately \$60,000 in Fire and Rescue Department revenue.

Outside Vehicle Repairs & Fuel: The City's Fleet Maintenance Division provides fuel and limited repair services to certain governmental units and non-profit agencies, including Mission/St. Joseph's Hospital and the Metropolitan Sewerage District. With fuel prices expected to remain flat in FY 2009-10, staff budgeted only a small increase in this revenue.

ENTERPRISE FUNDS

Enterprise funds provide public services that are operated in a manner similar to private business, where expenses are primarily financed by revenues derived from user charges. The City of Asheville's annual operating budget includes the following enterprise funds:

Water Resources Fund: This fund accounts for water services provided by the City of Asheville. The utility rate structure is designed to produce sufficient revenues to cover all operating expenses including debt service and maintenance of adequate working capital.

	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Expenditures:				
Salaries & Wages	4,410,304	5,208,778	5,849,869	6,040,760
Fringe Benefits	1,634,334	1,965,106	2,115,495	2,363,180
Operating Costs	7,859,419	7,752,775	8,765,701	10,128,355
Debt Service	4,954,448	6,100,586	7,648,970	7,637,399
Capital Outlay	<u>11,231,052</u>	<u>9,933,222</u>	<u>10,991,074</u>	<u>6,979,935</u>
Total	30,089,557	30,960,467	35,371,109	33,149,629
FTE Positions	134.00	152.00	153.00	152.00
Revenues:				
Charges For Service	30,406,152	31,132,542	30,974,000	32,576,439
Investment Earnings	940,606	1,427,717	800,000	550,000
Appropriated Fund Balance	0	0	3,557,559	0
Miscellaneous	<u>90,745</u>	<u>67,400</u>	<u>39,550</u>	<u>23,190</u>
Total	31,437,503	32,627,659	35,371,109	33,149,629

Transit Services Fund: This fund is established to account for the provision of public transit services within the City of Asheville. The City's Engineering Department manages and administers transit operations.

	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Expenditures:				
Salaries & Wages	87,507	58,704	131,149	142,091
Fringe Benefits	23,723	17,619	41,050	44,601
Operating Costs	4,174,621	4,666,134	4,720,936	4,932,588
Operating Pass Through	0	73,416	502,135	540,000
Capital Outlay	<u>4,024</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	4,289,875	4,815,873	5,395,260	5,659,280
FTE Positions	2.00	3.00	3.00	3.00
Revenues:				
Operating Revenue	658,914	870,860	796,755	911,000
Miscellaneous	943	0	0	0
Federal/State Grants	2,374,658	2,075,988	1,848,527	2,777,333
Operating Pass Through	0	0	502,125	540,000
General Fund Subsidy	1,046,596	1,275,565	1,566,197	872,831
Parking Fund Subsidy	248,116	248,116	248,116	248,116
Transfer from Capital Fund	0	0	100,000	0
Motor Vehicle License Fee	<u>308,638</u>	<u>307,352</u>	<u>333,540</u>	<u>310,000</u>
Total	4,637,865	4,777,881	5,395,260	5,659,280

ENTERPRISE FUNDS

Parking Services Fund: This fund accounts for the parking facilities and meters owned and operated as enterprises of the City of Asheville. Operations include three parking garages, over 700 on-street metered spaces, and more than 200 lot spaces.

	2006-07	2007-08	2008-09	2009-10
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	353,966	471,383	614,840	702,566
Fringe Benefits	127,650	170,218	213,742	271,152
Operating Costs	545,772	873,481	869,779	1,013,626
Debt Service	603,519	588,590	500,000	500,000
Transfer to Transit Fund	248,116	248,116	248,116	248,116
Capital Outlay	<u>14,500</u>	<u>7,011</u>	<u>653,223</u>	<u>104,240</u>
Total	1,893,523	2,358,799	3,099,700	2,839,700
FTE Positions	17.00	19.00	19.00	19.00
Revenues:				
Garage Revenues	1,293,317	1,226,593	1,417,000	1,115,000
Parking Meters	919,411	992,344	932,000	925,000
Parking Violations	544,407	617,131	579,700	644,700
Parking Lots & Peripheral	109,639	172,231	120,000	105,000
Other	<u>60,247</u>	<u>87,355</u>	<u>51,000</u>	<u>50,000</u>
Total	2,927,021	3,095,654	3,099,700	2,839,700

Civic Center Fund: This fund accounts for the operation of the City of Asheville Civic Center, which is used for concerts, family shows, trade shows, and sporting events. This fund is supported by a general fund subsidy of \$391,315.

	2006-07	2007-08	2008-09	2009-10
	Actual	Actual	Budget	Adopted
Expenditures:				
Salaries & Wages	809,055	819,944	910,444	916,867
Fringe Benefits	233,074	228,327	294,843	299,296
Operating Costs	930,751	967,378	1,026,992	860,952
Capital Outlay	<u>0</u>	<u>0</u>	<u>7,135</u>	<u>7,000</u>
Total	1,972,880	2,015,649	2,239,414	2,084,115
FTE Positions	17.75	17.51	17.51	17.13
Revenues:				
Food & Beverage Sales	588,432	587,776	723,580	607,300
Rent	571,361	567,305	618,595	530,750
Admissions & Other Sales	319,339	442,774	373,850	410,350
Capital Maintenance Fee	71,511	70,946	66,900	70,900
Investment Earnings	83,723	105,245	55,000	70,000
General Fund Subsidy	413,340	431,198	397,989	391,315
Other	<u>4,824</u>	<u>2,022</u>	<u>3,500</u>	<u>3,500</u>
Total	2,052,530	2,207,266	2,239,414	2,084,115

ENTERPRISE FUNDS

Festivals Fund: This fund accounts for the direct salary & operating costs associated with City-produced festivals such as Bele Chere, the Fourth of July, and the Film Festival.

	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Expenditures:				
Salaries & Wages	176,744	164,959	124,491	133,526
Fringe Benefits	50,227	58,406	39,420	42,849
Operating Costs	1,083,195	956,394	943,770	602,768
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,310,166	1,179,759	1,107,681	779,143
FTE Positions	5.00	4.75	4.75	4.75
Revenues:				
Sponsorships	263,298	269,179	308,266	273,917
Beverages	221,288	208,512	281,290	156,500
Vendor Fees & Booths	174,841	191,064	191,000	112,000
Souvenirs	35,325	34,421	41,000	21,300
Tickets/Events	169,791	80,588	101,000	30,000
General Fund Subsidy	0	253,922	162,675	184,726
Other	<u>22,501</u>	<u>24,923</u>	<u>22,450</u>	<u>700</u>
Total	887,044	1,062,609	1,107,681	779,143

Stormwater Utility Fund: The Stormwater Fund was a new fund in FY 2005-06. It accounts for revenues and expenditures associated with the City's expanded stormwater maintenance program, which was put in place to meet federally-mandated requirements.

	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Expenditures:				
Salaries & Wages	930,384	1,055,120	1,464,339	1,470,589
Fringe Benefits	343,161	369,910	467,744	504,294
Operating Costs	754,383	869,568	867,000	864,558
Debt Service	51,251	101,900	150,000	50,000
Capital Outlay	<u>189,978</u>	<u>182,822</u>	<u>355,300</u>	<u>9,777</u>
Total	2,269,157	2,579,320	3,304,383	2,899,218
FTE Positions	30.00	32.00	32.00	31.00
Revenues:				
Charges For Service	2,795,945	2,744,219	2,707,383	2,665,218
Licenses & Permits	239,386	305,430	287,000	204,000
Lease-Purchase Proceeds	6,286	264	280,000	0
Investment Earnings	<u>32,319</u>	<u>56,029</u>	<u>30,000</u>	<u>30,000</u>
Total	3,073,936	3,105,942	3,304,383	2,899,218

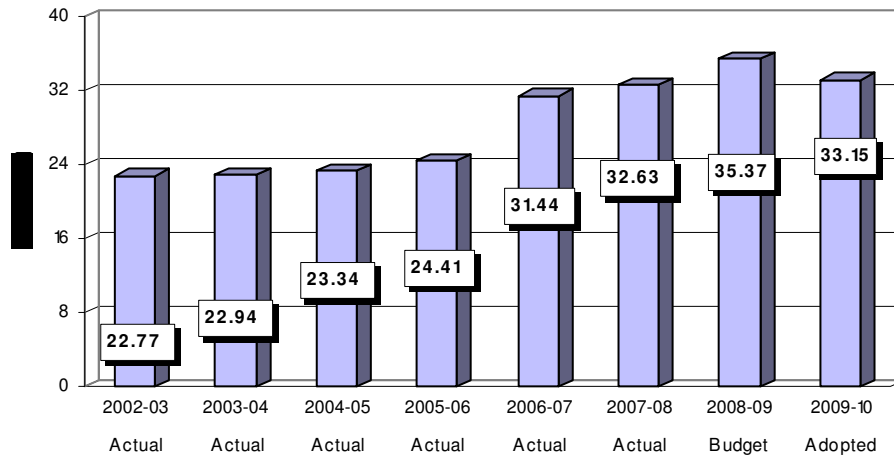
ENTERPRISE FUNDS

Golf Fund: The City took over operation of the Municipal Golf course in FY 2005-06.

	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Expenditures:				
Salaries & Wages	435,721	450,692	507,274	443,137
Fringe Benefits	142,898	135,875	174,127	146,423
Operating Costs	375,003	418,929	483,300	410,440
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	953,622	1,005,496	1,164,701	1,000,000
FTE Positions	14.00	14.00	14.00	11.00
Revenues:				
Pro Shop Sales	44,363	42,319	58,000	30,000
Membership Fees	164,891	191,482	206,000	180,000
Snack Bar	71,914	73,543	80,000	80,000
Equipment Rental	258,377	272,775	275,000	275,000
Green Fees	354,492	381,270	470,000	435,000
Other	<u>2,215</u>	<u>5,172</u>	<u>0</u>	<u>0</u>
Subtotal Operations	896,252	966,561	1,089,000	1,000,000
General Fund Subsidy	0	0	75,701	0
Total	896,252	966,561	1,164,701	1,000,000

ENTERPRISE FUND REVENUES

WATER RESOURCES FUND REVENUE



<u>Water Resources Revenue</u>	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Utility Charges	20,221,753	21,065,198	20,943,550	22,104,000
Other Operating Revenue	4,205,673	4,275,417	4,070,000	4,405,629
Capital Maintenance Fee	6,069,461	5,859,327	6,000,000	6,090,000
Appropriated Fund Balance	--	--	3,557,559	--
Investment Earnings	940,606	1,427,717	800,000	550,000
Total Water Resources Revenue	31,437,503	32,627,659	35,371,109	33,149,629
Percent Change	28.79%	3.79%	8.41%	-6.28%

Trends & Assumptions

Water revenue is derived from fees and service charges assessed to residential and commercial customers of the regional water system. Water revenue is influenced by fee changes, population growth, water consumption patterns, local economic conditions, and weather.

Utility Charges: The FY 2009-10 budget includes a 4% increase in water rates, which will generate approximately \$1,200,000 in additional revenue.

Capital Maintenance Fee: The purpose of this fee is to provide funding for major capital improvements such as water line replacements and water treatment source improvements. It is a charge based on the size of the meter. Based on collection trends over the last two years, along

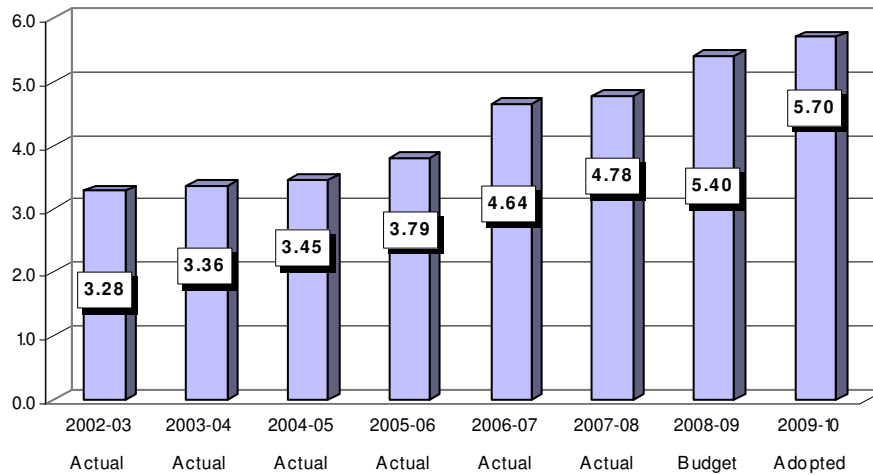
with the 4% rate increase passed by City Council, staff has budgeted a \$90,000 increase in this revenue for FY 2009-10.

Other Revenue: This category includes development fees, tap and connection fees, fire line charges, reconnection and delinquency fees and other miscellaneous revenue. A \$370,000 increase is budgeted in this revenue based on fee increases that were approved by City Council.

Investment earnings reflect earnings on cash fund balances. The budget for investment earnings is adjusted downward to reflect lower interest rates and a decrease in cash available for investment.

ENTERPRISE FUND REVENUES

TRANSIT SERVICES FUND REVENUE



	2006-07	2007-08	2008-09	2009-10
<u>Transit Services Revenue</u>	Actual	Actual	Budget	Adopted
Federal/State Grants	2,374,658	2,075,988	2,315,652	3,317,333
General Fund Subsidy	1,046,596	1,275,565	1,566,197	872,831
Parking Fund Subsidy	248,116	248,116	248,116	248,116
Operating Revenue	658,914	870,860	796,755	911,000
Motor Vehicle License Fee	308,638	307,352	333,540	310,000
Miscellaneous	943	0	135,000	0
Total Transit Revenue	4,637,865	4,777,881	5,395,260	5,659,280
Percent Change	22.22%	3.02%	12.92%	4.89%

Trends & Assumptions

Transit Fund revenue is derived from three primary sources: federal & state grant funding, local tax support, and passenger charges.

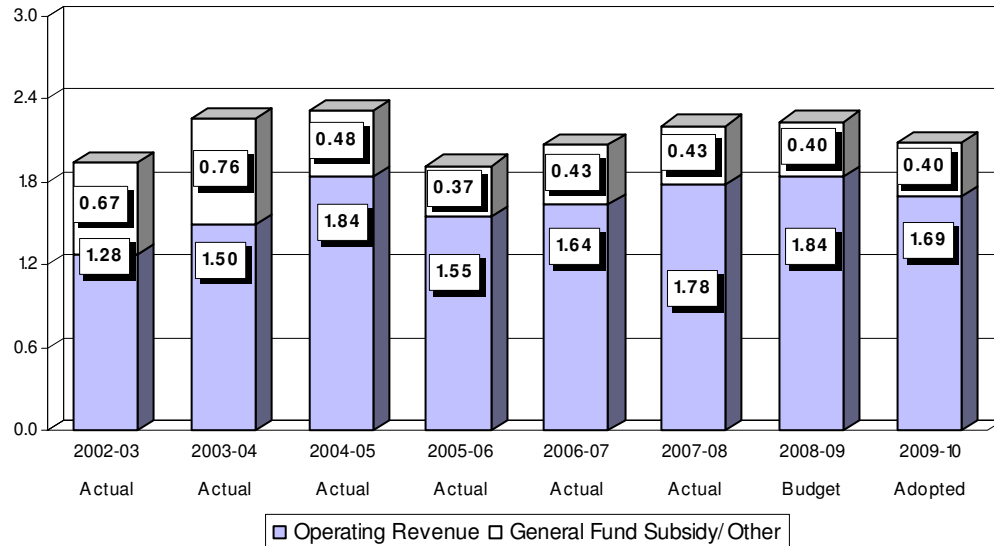
Federal & State Grants: The Transit Fund receives grant funding from the Federal Transit Administration and the North Carolina Department of Transportation. Revenue from federal and state grants represents 58% of the fund's total revenue. The City will receive additional federal funding in both FY 2008-09 and FY 2009-10. This additional funding is not shown in the FY 2008-09 budget, so actual grant revenue will exceed budget in the current year. This additional federal revenue will allow the City to reduce the actual general fund subsidy in the current year, and budget a lower subsidy in FY 2009-10. At this point, it is not certain that the City will receive this higher level of federal support beyond FY 2009-10.

City Support: This category includes both the general fund subsidy and the motor vehicle license fee. As mentioned above, the general fund subsidy to the transit services fund will be reduced in the current year. The actual subsidy in the current year is expected to be \$500,000 less than budget. For FY 2009-10, the general fund subsidy is budgeted at \$872,831. It should be noted that the general fund subsidy will likely increase substantially after FY 2009-10 as the federal funding returns to its previous lower level. Finally, the subsidy from the parking services fund is continued in FY 2009-10 at its existing level.

Operating Revenue: This category consists of passenger fares and advertising revenue. Based on current trends and increases in advertising rates, this revenue is budgeted to increase by \$115,000 in FY 2009-10.

ENTERPRISE FUND REVENUES

CIVIC CENTER FUND REVENUE



<u>Civic Center Revenue</u>	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Food & Beverage Sales	588,432	587,776	723,580	607,300
Rent	571,361	567,305	618,595	530,750
Admissions & Other Sales	319,339	442,774	373,850	410,350
Other	160,058	178,213	125,400	144,400
Total Operating Revenue	1,639,190	1,776,068	1,841,425	1,692,800
Percent Change	6.09%	8.35%	3.68%	-8.07%
General Fund Subsidy	413,340	431,198	397,989	391,315
Total Civic Center Revenue	2,052,530	2,207,266	2,239,414	2,084,115

Trends & Assumptions

The Civic Center receives operating revenue from the sale of food and beverages, rental fees charged to the users of the facility, and from various other charges including facility fees and staffing reimbursements. Operating revenue is supplemented with support from the City's general fund.

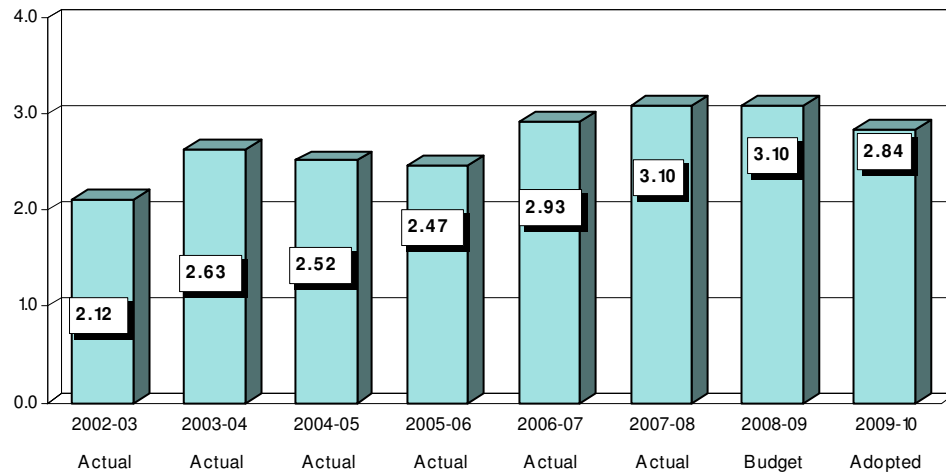
Operating Revenue: Operating revenue shows a budget-to-budget decrease of 8.1%. This decrease is primarily due to the elimination of the public skating program in FY 2009-10, which will result in a revenue reduction of \$109,000. Because expenditures associated with maintaining the ice for public skating exceeded the revenue produced by the program, there is an

overall net financial gain to the Civic Center of approximately \$50,000.

General Fund Subsidy: The strong performance in operating revenue has allowed the Civic Center to operate at a substantially lower loss over the last several fiscal years. As such, the general fund subsidy has remained in the \$400,000 range over the last five years. In the years prior to that, the operating deficit had routinely exceeded \$700,000. This trend continues with the FY 2009-10 budget, which includes a general fund subsidy of \$391,315, which is slightly below the FY 2008-09 subsidy.

ENTERPRISE FUND REVENUES

PARKING SERVICES FUND REVENUES



<u>Parking Services Revenue</u>	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Garage Revenue	1,293,317	1,226,593	1,417,000	1,115,000
Parking Meters	919,411	992,344	932,000	925,000
Parking Violations	544,407	617,131	579,700	644,700
Parking Lots & Peripheral Parking	109,639	172,231	120,000	105,000
Other	60,247	87,355	51,000	50,000
Total Parking Services Revenue	2,927,021	3,095,654	3,099,700	2,839,700
Percent Change	18.33%	5.76%	0.13%	-8.39%

Trends & Assumptions

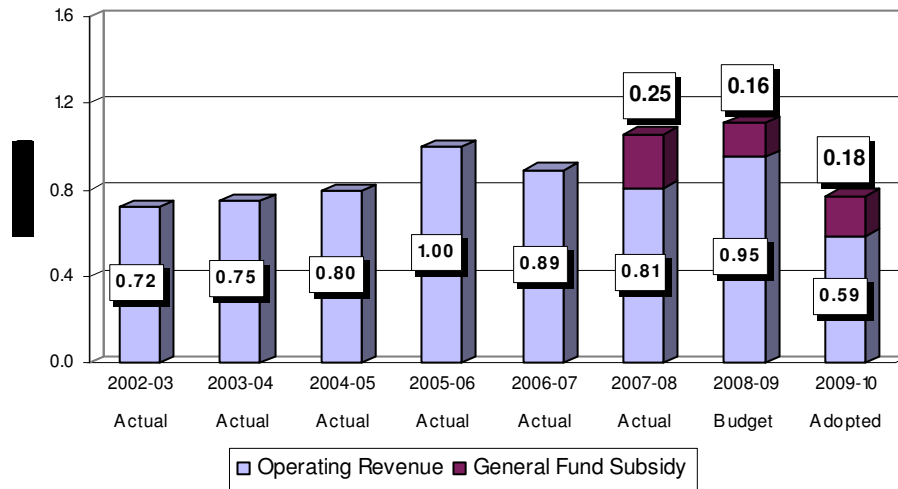
The Parking Services Fund operates three parking garages, over 700 on-street metered spaces, and more than 200 lot spaces.

Garage Revenue: The current recession has slowed the growth in revenue from the parking garages. As a result, the FY 2009-10 budget for garage revenue shows a \$300,000 decrease compared to the current fiscal year.

Parking Meters & Parking Violations: Based on current collection trends, all other parking revenue budgets are maintained at essentially the same level as the current fiscal year budgets.

ENTERPRISE FUND REVENUES

FESTIVALS FUND REVENUES



	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
<u>Festivals Revenue</u>				
Sponsorships	263,298	269,179	308,266	273,917
Beverages	221,288	208,512	281,290	156,500
Vendor Fees & Booths	174,841	191,064	191,000	112,000
Souvenirs	35,325	34,421	41,000	21,300
Tickets/Events	169,791	80,588	101,000	30,000
Other	22,501	24,923	22,450	700
Total Operating Revenue	887,044	808,687	945,006	594,417
Percent Change	-11.05%	-8.83%	16.86%	-37.10%
General Fund Subsidy	0	253,922	162,675	184,726
Total Festivals Revenue	887,044	1,062,609	1,107,681	779,143
Percent Change	-11.05%	19.79%	4.24%	-29.66%

Trends & Assumptions

The Festivals Fund was created in FY 2001-02 to account for revenues and expenditures associated with City-produced festivals, such as Bele Chere and the Film Festival.

Operating Revenue: Operating revenue is budgeted to decrease by 37.1%. There are several factors contributing to this decrease. First, the size of the 2009 Bele Chere festival will be reduced. This will result in the loss of one food court and a reduction in the number of beverage

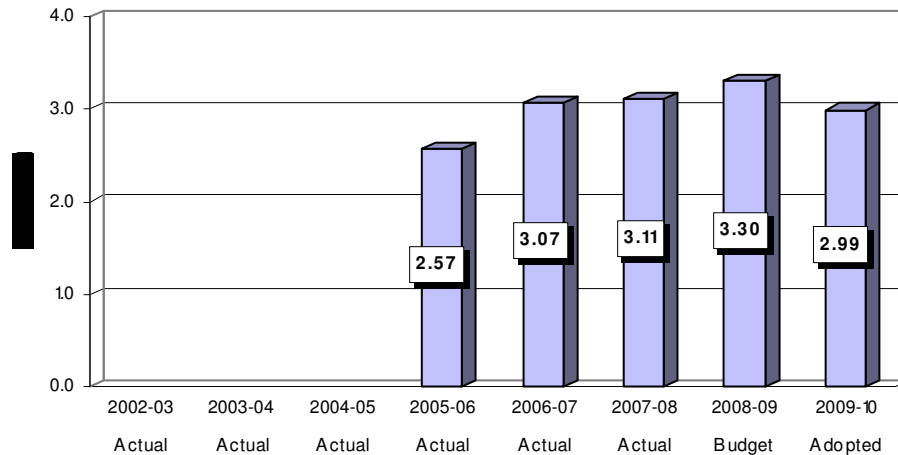
booths. In addition, there will be no ticketed event at the 2009 Bele Chere.

The recession is also expected to impact Festival Fund revenues in FY 2009-10. Attendance is expected to be down, and staff is also expecting to receive less sponsorship revenue.

General Fund Subsidy: A general fund subsidy of \$184,726 is included to support the costs of the Festivals staff.

ENTERPRISE FUND REVENUES

STORMWATER FUND REVENUES



<u>Stormwater Revenue</u>	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Utility Charges	2,795,945	2,744,219	2,707,383	2,665,218
Licenses & Permits	239,386	305,430	287,000	204,000
Lease-Purchase Proceeds	6,286	264	280,000	0
Other	<u>32,319</u>	<u>56,029</u>	<u>30,000</u>	<u>30,000</u>
Total Stormwater Revenue	3,073,936	3,105,942	3,304,383	2,899,218
Percent Change	19.5%	1.04%	6.39%	-12.26%

Trends & Assumptions

The Stormwater Fund was created in FY 2005-06 to account for revenues and expenditures associated with the City's federally mandated stormwater program.

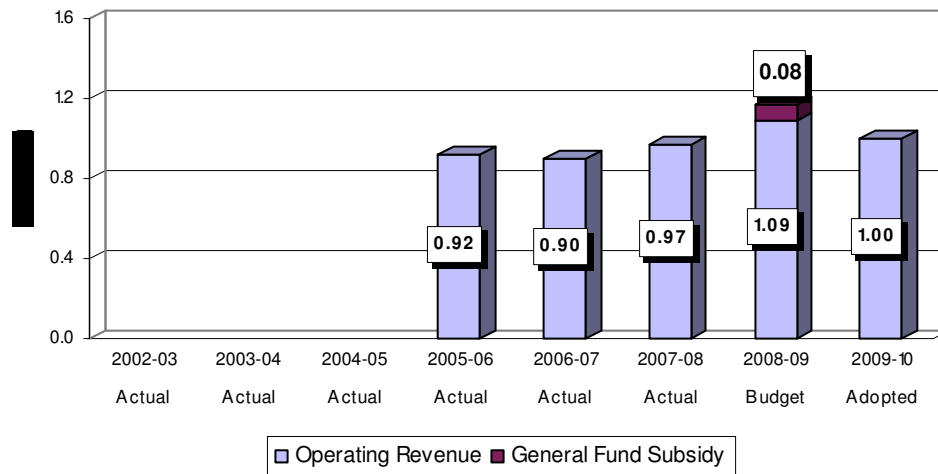
Licenses & Permits: The current recession has slowed revenue collections in the licenses and permits category. The FY 2009-10 budget is adjusted to reflect this downward trend in collections.

Utility Charges: Based on utility charges revenue collected during FY 2007-08 and trends observed through the first nine months of the current fiscal year, staff is budgeting \$2.67 million in utility charges revenue for FY 2009-10.

Lease-Purchase Proceeds: The FY 2008-09 budget included \$280,000 from debt proceeds to replace a large piece of stormwater equipment. Since no large equipment is slated for replacement in FY 2009-10, this revenue is removed from the budget.

ENTERPRISE FUND REVENUES

GOLF FUND REVENUES



<u>Golf Revenue</u>	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Adopted
Pro Shop Sales	44,363	42,319	58,000	30,000
Membership Fees	164,891	191,482	206,000	180,000
Snack Bar	71,914	73,543	80,000	80,000
Equipment Rental	258,377	272,775	275,000	275,000
Green Fees	354,492	381,270	470,000	435,000
Other	<u>2,215</u>	<u>5,172</u>	<u>0</u>	<u>0</u>
Total Operating Revenue	896,252	966,561	1,089,000	1,000,000
Percent Change	-2.2%	7.84%	12.67%	-8.17%
General Fund Subsidy	<u>0</u>	<u>0</u>	<u>75,701</u>	<u>0</u>
Total Golf Revenue	896,252	966,561	1,164,701	1,000,000
Percent Change	-2.2%	7.84%	20.50%	-14.14%

Trends & Assumptions

The Golf Fund was created in FY 2005-06 when the City assumed operation of the Municipal Golf Course from Buncombe County as a part of the Water Agreement termination.

Operating Revenues: The adopted budget shows a decrease in operating revenue of \$89,000 or 8.2%. This decrease reflects the impact of the recession on golf course revenue, as well as an attempt by staff to budget revenues

at a level that is more consistent with collections in prior years.

General Fund Subsidy: Staff completed a re-organization and restructuring plan that resulted in an expenditure reduction in the golf fund of over \$100,000. As a result, no general fund subsidy is required to balance the FY 2009-10 golf fund budget.